

states for ratification of an amendment to the U.S. Constitution banning federal judges of inferior courts or the Supreme Court from having the power to levy or increase taxes. Those states include Alabama, Alaska, Arizona, Colorado, Delaware, Louisiana, Massachusetts, Michigan, Missouri, Nevada, New York, Oklahoma, South Dakota, Tennessee and Utah. As it stands, there are no teeth in those resolutions because there is no mechanism. H.J. Res. 29 would provide that mechanism. We should all be working to pass that amendment, as well.

Levying taxes should remain a prerogative of the legislative branch. Thus, I will continue my efforts to stop judicial taxation.

HONORING THE 25TH ANNIVERSARY OF THE UNITED SENIOR CITIZENS CENTER OF SUNSET PARK

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1999

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in honor of the United Senior Center of Sunset Park as they celebrate 25 years of service to the elderly citizens throughout the Sunset Park area of Brooklyn. The organization provides fellowship and lends a helping hand whenever, wherever and to whomever it is needed.

First started in 1974, the center, then located at 56th and 6th Avenues, quickly became a vital part of the communities it served. As it grew, the need for their services was so great that they soon had to relocate to larger space at their current location of 53rd and 3rd Avenues where they have been for twenty years.

As the center expanded it began to address the diverse cultural needs of the communities they serve. They began by offering services in Spanish and, soon after that, added staff and programs in Chinese. These enhancements made the United Senior Center in Sunset Park more responsive and a more integral part of the rich cultural fabric of Brooklyn.

The diverse groups of seniors in Sunset Park can take advantage of the United Senior Centers many recreational programs, including tai-chi, bingo, arts and crafts, and swimming. Additionally, the center also offers important English as a Second Language courses to help individuals improve their day-to-day lives. There are citizenship programs, and nutrition-education seminars, as well as a variety of programs designed to assist seniors regarding senior's rights and entitlement benefits.

The dedicated staff and leadership of the United Senior Center of Sunset Park has done an exemplary job of helping seniors in our communities. Through their efforts they help an estimated 36,000 people a year.

I urge my colleagues to join me in congratulating the leaders and staff of the United Senior Center of Sunset Park on their 25th anniversary. The center is an integral part of our diverse culture in Brooklyn, and I wish them continued success for the next 25 years and beyond.

BOND PRICE COMPETITION
IMPROVEMENT ACT OF 1999

SPEECH OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1999

Mr. DINGELL. Mr. Speaker, as Ranking Member of the Committee on Commerce, as well as one of the original sponsors and a Floor-Manager of H.R. 1400, the Bond Price Competition Improvement Act of 1999, I rise to clarify a matter involving the legislative history of this legislation. My remarks are an extension of remarks that I made during House consideration of H.R. 1400 (June 14, 1999, CONGRESSIONAL RECORD at H4137).

Prior to floor consideration of H.R. 1400, both the bill and the committee report had been processed on a fully cooperative, bipartisan basis that respected the rights of the majority and minority members of the Commerce Committee. For that, I commend the gentleman from Virginia (Mr. BLILEY), distinguished chairman of the Committee on Commerce.

During House consideration of H.R. 1400 on Monday of this week (June 14, 1999, CONGRESSIONAL RECORD at H4132-4137, 4139-4140), I became aware of the intention of the Majority to insert in the RECORD as an extension of Chairman BLILEY's remarks "legislative history" submitted by the Bond Market Association (BMA).

When I questioned proceeding in this manner, I was assured by Mr. BLILEY that the material was "not a part of the legislative history at the moment" and that the minority would be given an opportunity to peruse and approve the BMA remarks before they became legislative history (June 14, 1999, CONGRESSIONAL RECORD at H4136). However, I was informed by the gentleman from Virginia in a subsequent phone call that he had misspoken: the material had been inserted in the RECORD without the Minority's review and approval.

I have the following comments on that material which is printed on pages H4134-4135 of the CONGRESSIONAL RECORD for June 14, 1999, immediately following the statement that Chairman BLILEY actually delivered to the House:

The Bond Market Association's representatives, who played a constructive role in the development of the legislation, have explained that they wanted to address several concerns raised by their lawyers with the Committee report. They felt that it was inaccurate and painted too bleak a picture of the state of bond market transparency. I have no particular quarrel with their goal. I have a large quarrel, as I stated on June 14, with the process. Furthermore, the BMA document itself contains inaccurate statements.

Because the Majority did not include in the main body of the Committee report the findings of the SEC's review of price transparency in the markets for debt securities in the U.S., I included a summary thereof in my additional views (House Report No. 106-149 at 12). BMA admits that my summary is correct. The BMA summary that appears in the RECORD, however, is not correct (H 4134, carry-over paragraph, top 2nd column). For example, contrary to the BMA document's assertion, the entire U.S. Treasury market was not found to

be "highly transparent." The markets for "benchmark" U.S. Treasury bonds were found to be "highly transparent," while other Treasury and Federal agency bonds were found to provide a "very good" level of pricing information. While the differences that give rise to a "highly transparent" versus a "very good" rating may escape the untrained and uninitiated, the BMA document's failure to accurately reflect the SEC's conclusions begs the question whether this was sloppy draftsmanship or a deliberate attempt to mislead. The text of the SEC report's summary of findings appears at the end of these remarks. The entire report is printed in the September 29, 1998 hearing record, Serial No. 105-130, at pages 7-18.

The March 1998 Treasury-SEC-Federal Reserve Joint Study of The Regulatory System For Government Securities did report on private sector efforts to improve the timely public dissemination and availability of information concerning government securities transactions and quotes. Its conclusion at page 18 was that "[t]here have been significant advances in transparency for government securities transactions over the past several years, primarily originating from commercial vendors" (H4134, paragraph 1, 2nd column).

Contrary to the impression given by the BMA's document, Nasdaq's Fixed Income Pricing System (FIPS) has done little to make the high yield market more transparent. Specifically, FIPS does not make public any actual transaction reports for high yield bonds, although it is true that such transactions are reported to the NASD, mostly at the end of the day. FIPS publishes quotations, which are generally considered too inaccurate to be useful, for just 50 selected bonds, and also publishes transaction summaries giving the high price, low price, and aggregate volume for all registered high yield bonds (H4134, bottom 2nd column, top 3rd column).

The BMA document notes testimony claiming vast differences in the level of price transparency between liquid and illiquid equities. However, NASD Bulletin Board stocks are subject to real time last sale reporting, as are many listed equities and listed options which are, in fact, highly illiquid (H4134, paragraph 1, 3rd column).

There are nothing like 300,000 to 400,000 corporate bonds, as that term is commonly understood. The SEC has advised us that there are approximately 30,000 to 40,000. The estimate of 300,000 to 400,000 in the BMA document probably includes mortgage-backed securities guaranteed by GNMA which are issued by private corporations but are "exempt" securities and not ordinarily understood to be corporate bonds. The BMA document gives a completely wrong impression of the characteristics of the market (H4134, paragraph 2, 3rd column).

The close relationship that exists among some corporate bonds (but which falls well short of the "fungibility" claimed by the BMA document) is one of the reasons that transaction reporting can be valuable, since the price of one bond may be important information about the value of many others (H4135, carry-over paragraph, top 1st column).

The BMA document is correct that the Finance Subcommittee did hear testimony expressing the concerns of some market participants about possible liquidity effects of the immediate disclosure of price and volume information for some transactions. However, SEC